

# *JFSA's Strategy for Consumer Protection*

Kiyotaka Sasaki

Vice Commissioner for Policy Coordination  
Financial Services Agency, Japan

FinCoNet Annual General Meeting (November 2017)



## *JFSA's mission*

To contribute to national welfare by securing sustainable growth of national economy and wealth through achieving the three set of goals:

- ✓ **Financial stability and effective financial intermediation**
- ✓ **Consumer protection and consumer benefit**
- ✓ **Market integrity and market vigor**

# *JFSA's strategy/action for financial consumer protection*

- ✓ **Fiduciary duties**  
“Principles for Customer-Oriented Business Conduct” (March 2017)  
469 financial service providers have adopted the Principles
- ✓ **Fintech (including Crypt currencies )**
  - Balance between promotion of financial innovation and consumer protection
  - New legislation for crypt currencies (April 2017): registration requirement and oversight of broker dealers
- ✓ **Conduct risk/culture**  
Discussion Paper will be issued to promote dialogue with financial institutions
- ✓ **Enhanced analysis of claims from consumers**  
Horizontal analysis and identification of potential risks for consumers
- ✓ **Cooperation with other Authorities**  
ex. Consumer Affairs Agency, National Police Agency, overseas agencies

## *JFSA's reform (1): Supervisory approaches*

- ✓ **More forward looking and preemptive**
- ✓ **More holistic; focus on business models (products) , governance and their changes (1<sup>st</sup> line), in addition to 2<sup>nd</sup> and 3<sup>rd</sup> line of defense,**
- ✓ **More in-depth; root cause analysis (incentives, culture, tone-at the top...)**

## *JFSA's reform (2): Organization, HR and IT*

### ✓ **Organization Structure**

--Enhanced strategy development across financial services; early identification of issues/risks, timely measures and actions

- Integration of off-site monitoring & on-site inspection for regulated entities

### ✓ **Upgraded professional expertise**

Subject matter expertise for industry / system-wide and horizontal issues and risks

### ✓ **RegTech in line with FinTech**

Upgrading FSA's IT for oversight of financial services (digital forensic, data analytics, AI )

***Thank you !***